

21 April 2005

Rowe & Cohen
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MANCHESTER - 1

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Tel: **GRO**
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Our ref:
LRB1/348035.134
Your ref:
MDT.113969

Dear Sirs

Our Client - Post Office Limited
Your Client - Mr L Castleton - Marine Drive Post Office, Bridlington

We refer to your letter dated 11 April 2005 and apologise for the delay in responding to you.

Our client has confirmed that all correspondence removed from the Post Office by Cath Oglesby has been forwarded to us and in turn, we confirm that copies have been provided to you.

Your client has claimed that the discrepancies are due to the Horizon computer system not functioning properly. This is contradicted by the service support team and Fujitsu Services who have confirmed there is no evidence whatsoever of any system problem. Furthermore, the Horizon computer system is still being used and there are no further discrepancies.

We are instructed to issue proceedings against your client in respect of discrepancies in the sum of £25,858.95 pursuant to the express terms of the contract for services.

Your client had the following contractual obligations:

- (a) your client was strictly responsible for the safe custody of cash, stock of all kinds and other property of our client, whether held by himself or by his assistants and was obliged to keep them in a place of security (see section 12, paragraph 5 of the standard subpostmasters contract)
- (b) your client was responsible for, and obliged to make good without delay, all losses caused through his own negligence, carelessness or error, and also losses of any kind caused by his assistants (see section 12, paragraph 12 and section 15, paragraph 2 of the standard subpostmasters contract)
- (a) your client's financial responsibility (for example, to make good losses) did not cease when he relinquished his appointment and he remains obliged to make good any losses incurred during his term of office which subsequently came to light (see section 12, paragraph 13 of the standard subpostmasters contract).

The purpose of this letter is to put you on notice that unless we have received the sum of £25,858.95, or at least payment proposals by 27 April 2005, we are instructed to issue proceedings against your client. We would be grateful if you would advise if you are instructed to accept service of these papers.

Yours faithfully